

**ATTENDANCE:** Mayor Moore; Councilmember Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips and Doug Welton; City Manager Dave Tuckett; Finance Director Sara Hubbs; City Attorney Mark Sorenson

Work Session began at 5:30

Joe Spencer with Utah P3 Public Private Partnerships presented information regarding assessment bonds. He said historically banks would lend on infrastructure, but as of January 2015 it changed that type of lending to High Volatility Commercial Real Estate (HVCRE). He said as a result it reduces overall lending. He said it is pretty difficult for developers to make money when the interest is so high. He said developers need another way to fund public infrastructure, which assessment financing is a good option. He said the cost is so inexpensive because the city uses their status to get a tax-free bond.

He said for the municipality, it is a low risk/cost way to encourage development. He said that it does not create risk for municipality or taxpayers. He stated he feels it is wrong for taxpayers to back-up a bond for a developer. He noted with the assessment bonds there is no public vote required.

He said the developer, municipality, municipal financial advisor and other professionals work together to create assessment areas, levy assessments, and sell municipal bonds. He said the developer builds the public infrastructure with bond proceeds (held in trustee account) and transfers infrastructure to the municipality. He said the developer and/or subsequent owners pay assessments and the bond buyers get tax-free interest from assessment payments.

Councilmember Phillips asked who collects the money. Mr. Spencer said the city is in charge of collecting it, but they could outsource it to another party to collect the money. He said the counties can collect it through the property tax as well.

Councilmember Welton asked what happens when the homeowner goes bankrupt. Mr. Spencer said the assessment stays with the property, so it stays in place. He gave the example of him owning the home and choosing not to pay the assessment. He compared not paying property taxes to not paying the assessment. He said if you choose not to pay property taxes then you have five years, but if an owner chooses not to pay the assessment it will go to foreclosure within 90 days and the mortgage company would find a way to pay for it and collect it from the owner.

He said that this tool is not used a lot in Utah. He said Centurion American is the largest land developer and Texas uses special assessment bonds in at least 85% of their developments.

He listed the following Utah Specifics:

- NO guarantee by the issuer required
- UP to 20 year amortization
- 3 to 1 coverage required (He said if a lot is worth 100,000 then 33,000 would be used for Very flexible...can be paid down or paid off at any time)
- Many developments in Utah are smaller than developments in other states. Private placement is critical for the smaller bonds. He said to make it worth your while it needs to be a large development.

He said recently Utah created a law regarding Commercial Property Assessed Clean Energy (C-PACE) bond. He said it would be used for an office building for higher-end windows, higher-end insulation, solar-powered equipment. He said it has a 30-year amortization, and it is not tax free because it is for private property.

Councilmember Hulet asked if there was already a mortgage on a commercial building and they wanted to install solar panels, would they have to subordinate. Mr. Spencer said that they would have to authorize, which is similar to subordinate. He said new development it makes sense, but existing is more challenging.

Councilmember Hulet asked if the bonding counts against the cities bonding requirements. Mr. Spencer said that it doesn't count against the city, but he encouraged the city to meet with its bond council. He said if there was a default it wouldn't count against the city, but they would have to explain why the default occurred if they wanted to do another Special Assessment bond in the future.

Meeting began at 6:00 pm.

MOTION by Councilmember Hardy to nominate Councilmember Phillips as Mayor Pro Tem. Motion seconded by Councilmember Hulet. Motion Carried.

**PRAYER & PLEDGE OF ALLEGIANCE:** Prayer offered by Councilmember Hulet; Pledge of Allegiance led by Mayor Pro Tem Phillips.

**CONSENT AGENDA:** Approval of June 15, 2016 Payson City Council Meeting Minutes. Approval of resolution amending Payson City Fee Schedule.

**MOTION** by Councilmember Hardy to approve the Consent Agenda. Motion seconded by Councilmember Carter. Motion Carried.

**PUBLIC FORUM:** Public Forum opened at 6:02 p.m.

Robert Nielson said that he would like to start a resolution to develop the property just east of Barnett Elementary. He said his father bought the property in 1971 and couldn't get sewer to the property, and he passed away, so now he is trying to do something with the property. He said in 1978 someone bought a piece of property next to them, knowing it was landlocked. He said when he tries to do something with the property, he is told that he can't landlock the property. He is asking Council to direct staff to relook at the statute and see if they are imposing too much of a restriction on one property owner to the great benefit of another property owner. He said he feels like he is being jeopardized financially for the benefit of someone who purchased a land-locked piece of property.

He said he is willing to do what he needs to, but to a reasonable extent. He said to have to run curb, gutter, and sidewalk to his piece of property would take up 25% of his land. He said he read through the city code and couldn't find anything about landlocked pieces of property.

Mayor Pro Tem Phillips said that is typically how it goes that the owner of the land has to run the utilities to the end of his property, so that the other property owners can hook on if they want.

Councilmember Hardy asked Planner Spencer if the state code also provides guidance for this type of activity. Planner Spencer said that the state code and city code both disallow land locking property. Mayor Pro Tem Phillips suggested that Mr. Nielson buy the property. Mr. Nielson said that he has tried, but the owner won't sell. Mr. Nielson said it doesn't seem fair that someone can buy a piece of land locked property and wait for the utilities to be run to him. He said he feels the city is enforcing something for one's great benefit and to the other's great detriment.

Mayor Pro Tem Phillips said that he wishes he could give him something different to go on, but it is just how it is. He said he is in the county and he had to run the water line all the way to the end of the property as well, so the next property could hook on if they wanted. Mayor Pro Tem Phillips said that the Council is pro curb and gutter and will support any type of development that installs curb and gutter to get better roads. Mayor Pro Tem Phillips suggest that Mr. Nielson try to sell the property. Mr. Nielson said that he has tried and the gentleman who tried to buy it didn't because it was too cost prohibitive to install the utilities.

Mayor Pro Tem Phillips told Mr. Nielson that he could work with Planning and Zoning to look at different options. Mr. Nielson said that he has worked with Planning and Zoning before and they have always been good to work with.

The Spanish Fork City Royalty and the Rodeo Queen royalty invited all to attend the Fiesta Days celebration that was coming up on July 21-25.

Councilmember Hulet added that Mountain View Hospital is one of the major sponsors of the Fiesta Days Rodeo.

Public Forum closed at 6:12 p.m.

#### **STAFF REPORTS:**

POLICE – Chief Bishop reported June's numbers of 122 arrests, 200 offenses, 271 citations, 122 arrests, 356 violations, 1034 calls for service, 2 DUIs, 380 traffic stops, and 32 traffic accidents. He said that they hired Spencer Killian to replace Officer Butler's position. He noted they held their first bike rodeo last week and is hoping it will grow over the years. He mentioned that Linda Schwartz retired on June 30<sup>th</sup> and wished her well. He said they purchased three defibrillators in conjunction with Utah Safety Council.

Mayor Pro Tem Phillips asked if the police have solved the window smashing incident. Chief Bishop said that they are working with other police agencies because the suspects smashed windows all the way from Nephi to Farmington and hopes they are close to solving it.

FIRE – Chief Scott Spencer said in June they had 40 runs for fire and 133 runs on medical. He said that they are 70 runs ahead than last year which will put them at about 1850 runs for the year. He said they are working on putting together a report that compares the Payson department to other fire

departments their size. He said that they struggle to keep people on shift during the day. He said they try to keep it staffed the best they can, but it's difficult to keep them there because the wage is so low. He said they have been working on the weeds and the problem they have is a lot of the owners don't live in the state, so it's hard to make contact.

Mayor Pro Tem Phillips asked if Chief Spencer can ask Woodbury to clean up their mess again. Chief Spencer said that they have sent a letter, but would try calling them. Councilmember Carter asked about the weeds that are on the back roads. Chief Spencer said city code requires land owners to maintain the property. Chief Spencer said that he will send notices out to the land owners to let them know about the weeds. Councilmember Carter said there is a fire hydrant south of her house that she can't find because it is buried in weeds. Chief Spencer said that he would take a look at it.

Chief Spencer said that since the change in state statute to allow aerial devices, people go and buy fireworks from out of state that are illegal and leave hot ambers, which causes problems.

Councilmember Hardy said that a couple years ago, the council passed an ordinance that disallowed fireworks and asked what he was doing to enforce that ordinance. Chief Spencer said that they did visit quite a few houses and confiscated a lot of fireworks. Chief Spencer said that there are so many people shooting off fireworks that it is difficult to keep them all under control. He said that they are trying to educate and get the word out about the restrictions using social media, the newsletter and the website.

Mayor Pro Tem Phillips asked for a water report from Mr. Brent Arns.

WATER SUPERINTENDENT – Brent Arns said that they are using less water than they did last year. He said at the current rate they are hoping to make it to the end of September. Councilmember Carter asked if the parks have started watering at night. Mr. Tuckett said that he just started last week trying to create programs for all of them. Councilmember Welton asked if the flower beds had a drip system installed at the north side of the Peteetneet. Mr. Zobell said that Mark Hyland is working on installing it and addressing all the issues.

CITY PLANNER SPENCER – Jill Spencer reminded everyone that the Tour of Utah is coming back to Payson and stage 3 will end in Payson on August 3<sup>rd</sup>. She said festivities will start at noon and end at 4:00 on August 3<sup>rd</sup>. She said there is a lot of activities planned leading up to the event. Planner Spencer said that they would like to pack the park with as many people as possible to support the event.

Councilmember Carter said that she and her husband are going to be down by the library on Friday to pull weeds and try to make it look better. She said that she will be there at 6:00 p.m.

#### **COUNCIL REPORTS:**

Councilmember Hardy thanked Chief Bishop for the police department's efforts to enforce the speed limits, which prevents kids from getting hit. He said the Movie Under the Stars will be in Santaquin in July and stated his appreciation for the chamber promoting local businesses.

Councilmember Welton thanked the Fire and Police department for monitoring the fireworks. He stated his appreciation for all who participated in the public forum meeting last Wednesday and mentioned that he liked the format. He said that he would love to see a team Payson hashtag started. He said he would like to share all the good things going on in Payson the hashtag #teampayson.

Councilmember Hulet thanked staff and citizens for supporting the public forum last Wednesday. He said that he would like to see some of the pictures of the meeting put on the website and the Chronicle. Councilmember Welton suggested that he would like to see meeting in the Daily Herald as well and highlight that Payson City is trying to bring government and citizens closer together. Mayor Pro Tem Phillips asked Council if they were going to hold a meeting like that again in August. The Council agreed that it needed to be held again since it is a fifth Wednesday.

Mayor Pro Tem Phillips said the water and streets department are working on the 4<sup>th</sup> south and 6<sup>th</sup> East upgrading the 4 inch water line and working towards 7<sup>th</sup> east. He said the streets department will then start working on the road in front of the fire department and Coffee Joe's.

#### **CHAMBER BUSINESS OF THE MONTH - Removed**

#### **FINAL PLAT APPROVAL – PLAT A & B OF STERLING GROVE SUBDIVISION**

City Planner Jill Spencer said the applicant, Justin Hill, is requesting final approval of Plat A and Plat B of the Sterling Grove Subdivision located generally located between Interstate 15 and 100 West and 500 North and 800 North. She said the subdivision consists of ten (10) twin home structures and twenty-five (25) single family dwelling lots for a total of forty-five (45) new residential units.

The project will be completed in phases. At this time, the applicant is requesting final approval for Plat A and Plat B of the Sterling Grove Subdivision. Plat A consists of four (4) single family dwellings and one (1) twin home structure (two units) and Plat B consists of twelve (12) single family dwellings and three (3) twin home structures (six units). Subsequent phases (or plats) will be submitted to the City Council for final approval as the project progresses.

Final approval may be granted by a majority vote of the City Council. The City Council will need to determine if the application is consistent with the applicable regulations of the Payson Municipal Code and the approvals previously granted by the City Council. Public input is not required before final approval is granted. The public hearing requirements of Utah Code and City ordinance were satisfied on June 15, 2016; therefore, additional public comment will only be allowed at the discretion of the City Council.

#### **Analysis**

Staff has reviewed the Sterling Grove Subdivision for compliance with Title 19, Zoning Ordinance (January 6, 2016), Title 20, Subdivision Ordinance (November 18, 2015), and other applicable requirements of the Payson City Municipal Code. Following staff review, a list of items has been generated that will need to be satisfied prior to the recordation of the Final Plat or development of the property, as applicable.

1. Approval for the use of the RMO-1 Overlay Zone included design guidelines to ensure the project is compatible with the surrounding uses. The design guidelines (i.e. exterior elevations, use of materials), off-street parking requirements, and landscaping standards will need to be established in project CC&R's and included in a development agreement recorded in the office of the Utah County Recorder. The development agreement will be considered by the City Council at a subsequent meeting.
2. The landscaping standard for multi-family dwelling units is different than those for single family dwellings. The applicant will need to be aware that all areas not used for buildings or parking must be completely landscaped prior to the issuance of a Certificate of Occupancy, not just the front yard areas of each unit.

3. Approval for use of the RMO-1 Overlay Zone does not grant any type of exception or waiver to the setback requirements of the R-2-75 Zone. The footprint of each twin home structure must be designed and situated on the property in a manner that satisfies the setback requirements of the underlying zone.
4. The project drawings (preliminary plan, construction drawings, final plat) must be consistent with the adopted ordinances and the improvements completed consistent with the specifications of Payson City. Each lot must have access to municipal services and the applicant is responsible to provide utility services to each lot and unit, including, drinking water, pressurized irrigation, wastewater, and power service. Connection and impact fees will be assessed at the time of issuance of a building permit.
5. The applicant will need to install the required electrical facilities consistent with the approved power plan. Payment of all fees associated with labor and materials provided by the Payson Power Department are the responsibility of the applicant and will need to be submitted prior to the recordation of the Final Plat.
6. The applicant will need to modify the public safety plan to ensure proper placement of fire-fighting facilities and compliance with the adopted fire codes. The applicant is responsible for payment of fire hydrant testing and inspection fees.
7. The City Council approved the applicant's request to reduce the width of the cul-de-sac, provided the design satisfies the regulations of the adopted fire code and city ordinances. The cul-de-sac design must indicate at least a forty-eight (48) foot radius of asphalt, installation of red curb and no-parking signs to restrict on-street parking, and snow push-out areas.
8. The following items will need to be addressed prior to recordation of the Final Plat(s) or during the construction phase, as required by City ordinance.
  - a. Complete the transfer of adequate water shares into the name of Payson City in accordance with Title 10, Water Ordinance of the Payson City Municipal Code.
  - b. Provide a performance guarantee in the form of a cash bond or irrevocable letter of credit in an amount equal to one hundred twenty (120) percent of the engineer's cost estimate for completing project improvements, landscaping, and amenities. The applicant will also need to submit, in cash, an amount consistent with the fee schedule of Payson City that will be used to cover testing and inspection fees.
  - c. Provide, in cash, the amount necessary to complete the one (1) inch asphalt overlay for the new roadways in the subdivision once ninety (90) percent of the dwellings in each phase have been constructed.
  - d. Schedule and conduct a pre-construction meeting with the City Engineer prior to the installation of project improvements. Construction standards, geotechnical requirements, Storm Water Pollution Protection Plan (SWPPP) regulations, traffic control, project schedules, and other improvement related issues will be discussed at the meeting.
  - e. The applicant will need to be aware that prior to excavation and installation of public improvements, the Final Plat must be recorded, and prior to the issuance of any building permit, all required infrastructure, including the installation of asphalt and private utilities will need to be completed, inspected and approved.
  - f. The applicant is responsible to obtain the necessary approvals and permits for structure demolition, project fencing, excavation, and building permits.
  - g. Following the installation of improvements and prior to construction of any structures, all debris and waste, including unused construction materials and asphalt will need to be removed from the site and may not be used as fill material.
  - h. The landscaping requirements of Section 20.17.13 or the Subdivision Ordinance and any additional requirements included in the development agreement will need to be implemented prior to the issuance of a certificate of occupancy for any new residential structure.
  - i. The undeveloped portions of the property must be maintained in accordance with Chapter 19.24, City Beautification until the site is prepared and improved for development.

These items represent the issues staff found to be inconsistent with the development ordinances of Payson City. The City Council will need to determine if the proposed project is consistent with the land use goals of Payson City or if modifications are necessary to accomplish the goals established in the Payson City General Plan. The City Council may require additional information in order to make a well-informed decision.

## **Recommendation**

This staff report identifies items that are not in compliance with the Payson City Municipal Code. It was the intent of the staff to complete a thorough review and identify all items that do not satisfy the requirements of Title 10, Water Ordinance; Title 19, Zoning Ordinance; Title 20, Subdivision Ordinance; the Standard Specifications and Standard Plans; and any and all other development requirements of the City. However, failure of the staff to identify an inconsistency with any City requirement does not release the applicant of the obligation to satisfy all development requirements of the City. If an item is identified at a later date, the applicant will be responsible to satisfy the relevant development requirements.

The applicant is seeking final approval for Plat A and Plat B of the Sterling Grove Subdivision. The City Council will need to determine if the proposed development is consistent with the development ordinances of Payson City and the approvals previously granted by the City Council.

The City Council may:

1. Remand the Final Plat(s) back to staff or the Planning Commission for further review or with direction to provide additional information. This action should be taken if it is determined that there is not enough information provided by the applicant in order for the City Council to make a well-informed decision.
2. Approve the request for final approval as proposed. If the City Council chooses to approve the request as proposed, staff would suggest that an opportunity to require the applicant to modify the request in a manner that will be more consistent with the land use goals of the City will be missed.
3. Approve the request for final approval contingent upon the satisfaction of conditions. If the City Council approves the Final Plat(s) contingent upon the satisfaction of appropriate conditions, staff would suggest that the proposed subdivision would be consistent with the goals and objectives of the Payson City General Plan and the adopted land use ordinances.
4. Deny the request for final approval. This action should be taken if the City Council determines the applicant is unwilling or unable to satisfy the regulations of the Payson City Municipal Code and the land use goals of the City.

Councilmember Hulet said that in the staff report it stated that there are items that aren't in compliance with the Payson City Municipal code. He said that he couldn't find where it listed the items that were not in compliance. Planner Spencer said that as it is proposed right now it is not in compliance. She recommended that it be approved contingent upon the satisfaction of the listed conditions and then it would be consistent with the city code.

**MOTION** by Councilmember Hardy to approve final plat A & B of the Sterling Grove subdivision contingent upon satisfaction of staff conditions as outlined in option number 3. Motion seconded by Councilmember Carter. Motion Carried.

#### **RESOLUTION – STORM WATER AGREEMENT**

Mayor-Pro Tem Phillips excused himself from this discussion due to conflict of interest.

MOTION by Mayor-Pro Tem Phillips to appoint Councilmember Hardy as the Mayor Pro-Tem. Motion seconded by Councilmember Hulet. Motion Carried.

City Manager Dave Tuckett said there has been an issue with storm drain on Scott Phillips' property for many years and staff is proposing an agreement to resolve the years of storm drain issues. He mentioned Merlin Phillips worked with Payson City and allowed the city to place storm water on both of his properties at no cost to the city. He said the verbal agreement took place in the 1980's, and in 1997, Payson enacted a storm drain ordinance which imposed a fee on all parcels within the city limits.

Mr. Tuckett said since the imposition of the storm drain fee, there has been an issue as to what should be charged on the two Phillips properties and this agreement cleans up the issues moving forward. He noted at the Mt. Loafer Storage Unit property, Payson City continues to use the property for city storm drain purposes. He said the city is proposing to exonerate the accumulated storm drain fees and not charge a fee so long as the city continues to deposit storm water at that location.

Mr. Tuckett said the Mt. Loafer Mobile Home Park parcel no longer has city storm water delivered to that property; therefore, the city is proposing to exonerate 50% of the current outstanding bill as compensation for the use of the property over the many years.

He stated moving forward, the engineering department calculated the impervious surface and determined the amount to be charged for the storm drain fee. He said Mr. Phillips will pay a storm drain fee for the mobile home park parcel and staff feels that this proposal is an equitable solution to this long standing problem.

Mayor Moore arrived at the council meeting.

Councilmember Phillips clarified that he has been paying the fee up to this point.

**MOTION** by Councilmember Hulet to approve resolution for the storm water agreement and authorize the mayor to sign. Motion seconded by Councilmember Hardy. Motion Carried.

#### **RESOLUTION – AMENDMENTS TO PERSONNEL POLICY REGARDING VEHICLE ALLOWANCE**

City Manager Dave Tuckett said staff reviewed the Personnel Policy as it applies to those who have a car allowance for their mode of travel for city purposes. He said when those on car allowances are required to travel long distances, the amount they are paid for a vehicle allowance does not cover the cost of the travel; therefore, staff is proposing that when an individual who is on the vehicle allowance travels outside a seventy five mile radius from Payson City, they will be able to receive additional reimbursement at the prevailing IRS rate for each mile of 150 miles upon presentation of proper documentation of mileage traveled.

Councilmember Hulet said that he would look like staff to look at leasing some vehicles for those who receive the vehicle allowance and have a fleet available for staff to use. He also said the Mayor only receives \$200 a month and he proposed to increase it since the Mayor travels a lot. Councilmember Phillips said that before we look at this vehicle allowance issue, we need to increase the wages for the fire and EMS volunteers. He said there needs to be an incentive for them to stay here. Ms. Hubbs said that those wages can be looked at and discussed during the truth in taxation meeting held on August 3<sup>rd</sup>.

Councilmember Hardy asked for a time frame that staff needs to present the information.

Councilmember Welton asked if Council could give a little more specific direction. Mr. Tuckett said that they can look into the lease options again. He said they had a study done six years ago and it was found that it is cheaper to provide a vehicle allowance.



**MOTION** by Councilmember Hulet to table and staff look at the different options and present back to council. Motion seconded by Councilmember Hardy. Motion Carried.

**RESOLUTION – AMENDMENT TO INVESTMENT POLICY**

City Manager Dave Tuckett said the proposed amendment to the investment policy will reflect the current language and requirements of the Utah Money Management Act. He said Moreton Company updated the investment policy to comply with the Utah Money Management Act.

Councilmember Hulet asked Finance Director Sara Hubbs what kind of return the city was receiving on the PTIF investments. She said that it has been around .50% and has now raised to .80%.

Councilmember Hulet asked what kind of return they would receive if they invested a little more aggressively. Ms. Hubbs stated that it would be about 1.3% to 1.5%. Councilmember Hardy said that he is familiar with this type of activity and he feels it is very safe and not a lot of risk. Ms. Hubbs said that she has reached out to different governmental agencies and they all had positive things to say about investing funds.

**MOTION** by Councilmember Phillips approve resolution amending investment policy. Motion seconded by Councilmember Hulet. Motion Carried.

**RESOLUTION – PAYMENT AGREEMENT BETWEEN HIGH LINE CANAL COMPANY & PAYSON CITY**

City Manager Dave Tuckett said there has been much discussion regarding interest payment. He said he had talked with Darrick Whipple from High Line about in lieu of an interest payment, Payson City will forgive the High Line's portion of the sub-lateral line that the city installed at 1400 South west of 930 West near the temple. He said the total cost of the project was \$48,553.59 and he took out the labor component because High Line also had some labor with Jay Staheli. He said half of that amount is \$24,276.80 and the proposed interest payment at 3% interest would be approximately \$18,000. Mr. Tuckett said he knows the amounts aren't equal, but he doesn't want to nit-pick and both he and Mr. Whipple are ok with the arrangement. He said Mr. Whipple was happy to pay the difference if needed.

Councilmember Hulet asked if the \$6 rate increase would cover the \$200,000 payment next year and the \$200,000 payment in two years to connect with Lateral 20. Ms. Hubbs confirmed that it would.

**MOTION** by Councilmember Phillips to approve payment agreement between High Line Canal Company and Payson City and authorize the Mayor to sign. Motion seconded by Councilmember Hulet. Motion Carried.

**REQUEST FOR EXCEPTION TO PERMANENT BUILDING REQUIREMENT IN I-1 ZONE (at the request of the applicant)**

**MOTION** by Councilmember Phillips to table discussion. Motion seconded by Councilmember Hardy. Motion Carried.

**DISCUSSION REGARDING PUBLIC SAFETY DIRECTOR**

Mayor Moore said that he has had long talks with Chief Spencer and Chief Bishop about this topic and he thinks they will leave it as it is for now. Mayor Moore said that Payson is the only city this side of Provo that is run different. He said he talked with Mayor Brundst and Mayor JH from American Fork. He said he would like to leave it as it is for right now, see what happens, and go from there. He said Chief Spencer and Chief Bishop will keep them updated.

Councilmember Hardy said that he likes option 3 that was presented and he thinks it ought to be formalized that they're talking with each other and then reporting to the council on a monthly basis. Councilmember Hulet agreed with Councilmember Hardy and expressed his appreciation for both Chief Spencer and Chief Bishop. Councilmember Carter said that Mr. Tuckett needs to be involved in those discussions as well.

**DISCUSSION REGARDING PI METERS**

Mr. Dave Tuckett said staff received a letter from the Bureau of Reclamation dated 6/23/2016. He said the letter stated: "Since the work being proposed has already received a competitive award through WaterSMART Grant, it is not eligible to receive additional funding. As a result your application was removed from further consideration." He said staff and council needs to discuss how and if they would like to proceed on the installation of the PI meters and the impact to the residents and businesses in Payson City.

Councilmember Phillips said that he would like more information regarding how much it would take and how much it would cost to install the meters. Mr. Tuckett said that he is concerned about the future and how it will be paid for if they aren't going to receive additional funds in the future to help with the costs. Mr. Tuckett said that he has reached out to Wayne Pullan to see if he could help with the situation.

Mr. Arns said that they have set aside money for the installation meters, and they put the installation of the meters out to bid, but they didn't receive any responses to install the meters. Mr. Arns said that he thinks they should install the backbone now. He said it is a 2 million dollar project, but they only have \$600,000.

Councilmember Hardy said he feels the meters are essential. Councilmember Phillips said he wants to know how much it will increase rates to install the meters and how much the rates will decrease once they are paid off.

Mr. Arns said that he has been talking with people from the Denver office and they are surprised that Payson was denied. Mr. Tuckett is hoping that Wayne Pullan will meet with them and try to change the decision. Mr. Tuckett said he thinks that it is probably a matter of time before the installation of meters is mandated.

Councilmember Hulet suggested that staff meet with the state representatives and see if they would go to bat for the city as well. Mr. Arns said that was their plan.

**MOTION** by Councilmember Phillips to adjourn.

Meeting adjourned at 7:06 p.m.